

1 **4 Pages**2 **LAW OFFICE OF COWAN & BRADY**

3 David M. Brady - CA Bar No. 70246

4 280 Hemsted Drive, Ste. B

5 Redding CA 96002

6 Telephone: (530) 221-7300

7 Fax: (530) 221-7389

8 Email: office@dcowanlaw.com

9 Attorney for Debtor

10 **UNITED STATES BANKRUPTCY COURT**11 **EASTERN DISTRICT OF CALIFORNIA**

12 In re

13 Case No. 17-23294-B-7

14 **JOHN GERARD KRZYWICKI**

15 Debtor

16 **STIPULATION AS TO**  
17 **NONDISCHARGEABILITY OF**  
18 **DEBT OF ERIC KRZYWICKI**

19 Comes now the debtor, John Gerard Krzywicki (hereinafter Debtor) and the claimant Eric  
20 Krzywicki (hereinafter Claimant) and do hereby settle and release each other from all claims  
21 arising between the Debtor and the Claimant. This Settlement Agreement and Release is made  
22 effective the 15<sup>th</sup> day of August, 2017, by and between the Debtor and the Claimant. This  
23 document contains the compromise between Claimant and the Debtor, resolving all issues  
24 regarding Claimant's claim pursuant to a judgment issued by the California Labor Board as noted  
25 in the Debtors Chapter 7 bankruptcy petition.

26 **FACTS**

27 The Debtor, filed a Chapter 7 bankruptcy on May 15, 2017. One of the motivating factors  
28 in that filing was a debt owed to the claimant pursuant to a judgment issued by the California  
Labor Board in the amount of \$42,000.

1 Prior to the filing of the Debtor's Chapter 7 Bankruptcy the Claimant had put \$22,000  
2 into the Debtor's business.

3 On June 3, 2017, the Claimant filed a Motion To Abandon Business. An appropriate  
4 opposition was filed by the trustee. In conversations with the attorney for the claimant it was  
5 clear that the Claimant would be filing an adversary complaint in order to test the  
6 dischargeability of the debt owed to the claimant.

7 On September 12, 2017, the discharge was issued in this matter. Prior to said discharge  
8 the parties had entered into the agreement that is set forth in this document.

9 The parties wish to buy their piece and to avoid any further or future expenses in this  
10 matter.

#### 11 RESOLUTION

12 In resolution of this matter the following recitals make up the entire settlement agreement  
13 between the Debtor and Claimant.

14 1. The Debtor and the Claimant have agreed to resolve this matter by a stipulated  
15 judgment in the amount of \$45,000. Said judgment is against the debtor and in favor of the  
16 creditor via a lump sum payment of \$30,000 from the Debtor to the Creditor within 30 days of  
17 the approval of this stipulation by the Bankruptcy Court. Thereafter upon completion of the  
18 Bankruptcy Case and the payment of any monies by the Chapter 7 Trustee to the Claimant, the  
19 debtor agrees and stipulates that he will make up the difference between what the Chapter 7  
20 Trustee pays to the Claimant and the overall nondischargeable judgment of \$45,000. Both  
21 counsel for the Debtor and counsel for the Claimant has spoken with the Chapter 7 Trustee and it  
22 is clear that some money will be paid by the Chapter 7 Trustee to the Claimant but the exact  
23 amount is unknown at this time.

#### 24 ACKNOWLEDGMENT OF COMPLETE SETTLEMENT

25 The claimant acknowledges that upon completion of the above actions by the Debtor it is  
26 agreed that such actions shall constitute a full and complete settlement of all claims released  
27

1 pursuant to this agreement.

2 RELEASE OF CLAIMS

3 The claimant hereby releases and discharges the Debtor, John Gerard Krzywicki and his  
4 respective current and former predecessors, successors, parents, affiliates, subsidiaries, agents,  
5 employees, officers, directors, shareholders, attorneys, investors (all of the foregoing being  
6 referred to collectively herein as the Releasees) from all claims of any kind (including any claims  
7 for damages, interest, fees and/or attorneys fees), that Claimant may have with respect to the  
8 allegations contained in the Judgment and any and all claims regarding the Debtor, the Debtors  
9 business, or any successor to that business. This agreement is intended to resolve forever the  
10 entire disagreement between the Debtor (and any and all Releasees), and the Claimant, and all  
11 Releasees and Debtor which are intended as beneficiaries of this release and entitled to enforce it.  
12 The claimant agrees not to assert any claims in any court or other forum including any state  
13 licensing board, Contractors Board or labor board or other administrative arena against the  
14 Debtor and or Releasees for any matter within the scope of the releases contained herein.

15 DENIAL OF LIABILITY

16 The Debtor does not admit any liability to Claimant by signing this agreement.

17 CONFIDENTIALITY

18 The parties agree that the terms of this agreement shall be and remain confidential and  
19 shall not be disclosed to anyone not a party to this agreement, without a valid legal reason.  
20 Notwithstanding the foregoing, either party may disclose the terms of this agreement to a  
21 regulatory agency if requested by such agency. Furthermore, this agreement does not prevent the  
22 parties from disclosing the terms of this agreement to their tax professionals or lawyers to review  
23 it for tax purposes or in any legal proceeding brought for enforcement or due to a breach of this  
24 agreement. Each party in the respective counsel agreed to maintain the confidentiality of any  
25 information not otherwise in the public domain provided by the other parties during the  
26 settlement of this matter, and will further maintain the confidentiality of statements made and  
27  
28

1 acts taken during the negotiation of this agreement.

2 COMPLETE AGREEMENT

3 This agreement is the complete agreement between the Debtor and the Claimant  
4 concerning their disagreement. The debtor and the claimant have made no other agreement,  
5 written or oral related thereto.

6 EXECUTION IN COUNTERPARTS

7 This agreement may be executed in one or more counterparts, which may be original  
8 informed or facsimile copies, any and all of which shall be taken collectively to constitute one  
9 agreement binding on the parties.

10 UNDERSTANDING OF AGREEMENT

11 Both the Debtor and the Claimant state that they have read, understood, and agreed to the  
12 terms of this agreement, and have discussed it with their attorney.

13 Dated:


  
David M. Brady, Attorney for Debtor

14 Dated: 1/10/2018


  
John Krzywicki, Debtor

15 Agreed as to confidentiality

16 Dated: 12/20/2017

  
Bruce Dwiggins, Attorney for Creditor/Claimant

17 Dated: 12/20/2017

  
Eric Krzywicki, Creditor